

ASSEMBLY BILL

No. 1274

Introduced by Assembly Member Chavez

February 21, 2003

An act to amend Sections 12143, 12144, 12148, 12149, 12151, 12152, 12153, 12154, 12156, and 12159 of, and to add Section 12158.5 to, the Insurance Code, relating to motor clubs.

LEGISLATIVE COUNSEL'S DIGEST

AB 1274, as introduced, Chavez. Motor clubs.

Existing law generally regulates motor clubs, and prohibits a person from rendering motor club service without first obtaining from the Insurance Commissioner a certificate of authority. Existing law defines motor club service as the rendering or procuring of, or reimbursement for, any specified service in connection with the ownership, operation, use, or maintenance of a motor vehicle under certain conditions.

This bill would change the definition of motor club service to include specified services other than emergency road or towing service only if those services are offered in conjunction with emergency road or towing service.

The bill would make related changes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12143 of the Insurance Code is
2 amended to read:

1 12143. A club agent is a person other than the motor club
2 itself, who acts or aids in any manner in the solicitation, delivery,
3 or negotiation of any ~~membership or~~ service contract *or*
4 *membership in a motor club*, or of the renewal or continuance
5 thereof.

6 SEC. 2. Section 12144 of the Insurance Code is amended to
7 read:

8 12144. Motor club service is the rendering or procuring of, or
9 reimbursement for, *emergency road service, towing service, or any*
10 *of the other services defined in this chapter if offered in*
11 *conjunction with emergency road service or towing service*, to any
12 person in connection with the ownership, operation, use, or
13 maintenance of a motor vehicle, including a vacation trailer,
14 house, or ~~otherwise similar vehicle~~, or a boat capable of ordinary
15 transportation on a trailer and its trailer, by ~~such~~ *that* person upon
16 any of the following considerations:

17 (a) ~~Such~~ *The* person is or will become a member of the club
18 rendering or furnishing the service.

19 (b) ~~Such~~ *The* person is or will become in any manner affiliated
20 with ~~such~~ *the* club.

21 (c) ~~Such~~ *The* person is or will become entitled to receive
22 membership or other motor club service from the club by virtue of
23 any agreement or understanding with ~~any such~~ *the* club.

24 This section shall not authorize a motor club to furnish any
25 service on a reimbursement basis which constitutes the transaction
26 of insurance. The commissioner may make reasonable rules and
27 regulations specifying services ~~which~~ *that* constitute the
28 transaction of insurance for the purposes of this part and ~~which~~
29 *that* may not be offered on a reimbursement basis. ~~Such~~ *These*
30 rules and regulations shall be adopted, amended, and repealed in
31 accordance with the procedure provided in Chapter 4.5
32 (commencing with Section 11371) of Part 1 of Division 3 of Title
33 2 of the Government Code.

34 SEC. 3. Section 12148 of the Insurance Code is amended to
35 read:

36 12148. Discount service is an arrangement by a motor club
37 resulting in giving special discounts, rebates or reductions of price
38 on gasoline, oil, repairs, insurance, parts, accessories or service for
39 motor vehicles to holders of service contracts with ~~any such~~ *the*
40 *motor club*.

SEC. 4. Section 12149 of the Insurance Code is amended to read:

12149. Financial service is an arrangement by a motor club whereby loans or other advances of money are made to holders of service contracts with ~~any such~~ *the motor club*.

SEC. 5. Section 12151 of the Insurance Code is amended to read:

12151. Theft service is an act by a motor club for the purpose of locating, identifying or recovering a stolen or missing motor vehicle owned or controlled by the holder of a service contract with ~~any such~~ *the motor club* or for the purpose of detecting or apprehending the person guilty of the theft.

SEC. 6. Section 12152 of the Insurance Code is amended to read:

12152. Map service is the furnishing by a motor club of road maps without cost to holders of service contracts with ~~any such~~ *the motor club*.

SEC. 7. Section 12153 of the Insurance Code is amended to read:

12153. Travel service is the furnishing by a motor club of touring and travel aids and assistance, ~~and~~. *Travel service* may include any or all of the following:

(a) Road maps, touring guides, directories of accommodations for travelers, club periodicals, travel information, magazines, and brochures.

(b) Procuring travel tickets of all kinds and reservations for accommodations in connections therewith.

SEC. 8. Section 12154 of the Insurance Code is amended to read:

12154. Claim adjustment service is an act by a motor club for the purpose of adjusting claims on behalf of the holder of a service contract with ~~any such~~ *the motor club*, ~~when such~~ *the* claim results from injury or damage to person or property arising out of an accident, in connection with the ownership, maintenance, operation and use of a motor vehicle.

SEC. 9. Section 12156 of the Insurance Code is amended to read:

12156. Insurance service is the selling or giving, with a service contract or as a result of membership in or affiliation with a motor club, of a policy of insurance covering liability or loss by

1 the holder resulting from injury or damage to person or property
2 arising out of an accident, ~~such that~~ liability or loss being the
3 consequence of the ownership, maintenance, operation, or use of
4 a motor vehicle.

5 Insurance service also includes the selling or giving with a
6 service contract or as a result of membership in or affiliation with
7 a motor club, of a policy of insurance, or a certificate under a
8 master policy in which the *motor* club is the master policyholder,
9 covering the club member, or any member of his *or her* family, for
10 loss, other than loss of time, from accidental injury from any cause
11 or accidental death from any cause. For ~~such~~ *this* purpose any
12 certificated motor club is deemed to be an “association” within the
13 meaning of Section 10270.5 and the club members and members
14 of their families are deemed to be members of ~~such that~~
15 association.

16 SEC. 10. Section 12158.5 is added to the Insurance Code, to
17 read:

18 12158.5. A holder of a service contract is a person who is
19 party to a service contract with a motor club and is entitled to
20 receive emergency road service or towing service from the motor
21 club pursuant to the service contract.

22 SEC. 11. Section 12159 of the Insurance Code is amended to
23 read:

24 12159. Miscellaneous service means any other service ~~which~~
25 *rendered by a motor club that* may be furnished and ~~which that~~
26 augments or is incidental to any service performed by the club as
27 authorized under the provisions of this chapter, or any other
28 service ~~which that~~ is of assistance and is beneficial to its members
29 and is feasible for the club to render.

